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SEPTEMBER 1975

SUPPLEMENT TO LMS-204

LIVESTOCK AND MEAT Situation



U.S. DEPT. OF AGRICULTURE
Economic Research Service

LIVESTOCK AND MEAT SITUATION

Feeder Cattle Placements Dip

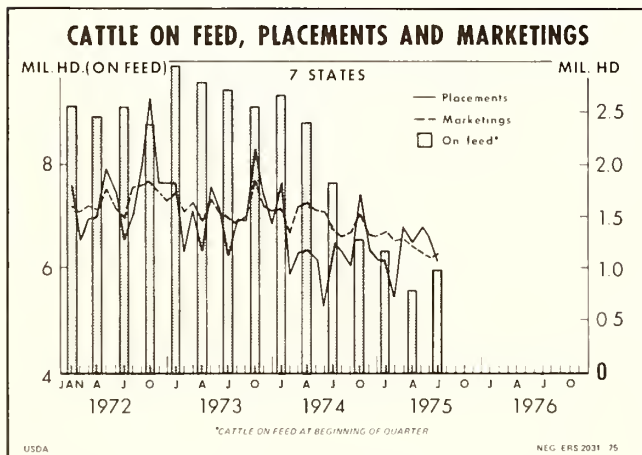
Considerable uncertainty surrounding future feed grain and fed cattle prices was reflected in the July Cattle on Feed report. Placements of cattle and calves on feed in the seven reporting States fell 13 percent from a year earlier, ending a four month period of increased placements. Marketings of cattle from feedlots exceeded placements during July in the seven States, resulting in a small decline in the inventory of cattle on feed from July 1 to August 1.

While placements normally decline from winter to spring, favorable feeding margins this spring spurred increases. The recent turndown in placements reflects the surge in feed costs and some downward movement in the fed cattle market. However, if feed costs begin to slip again there may be significant increases in placements during the next several months as the seasonal movement of cattle off pasture takes place this fall. Second half 1975 placements could still exceed levels of last year.

largest month on record, up 10 percent from last year, beef production fell slightly below July 1974. Judging from the reduced number of fed cattle marketed from the 7 major cattle feeding States during July, fed cattle made up only about half of the slaughter supply compared with about 60 percent in the summer of 1974. Cow slaughter in July jumped sharply from June and year-earlier levels, to the largest in recent history.

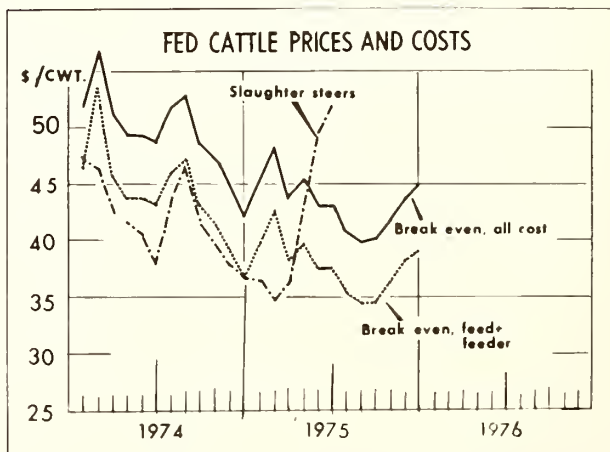
The average carcass weight of cattle slaughtered in Federally inspected plants in July was at the lowest summer level in 10 years at only 571 pounds. This was 16 pounds per carcass below June and 63 pounds less than a year earlier. During August average carcass weights slipped below 560 pounds, 12-14 percent under a year ago.

The reduced supply of fed beef coupled with no increase in total beef output has helped to moderate declines in fed cattle prices as slaughter rates pick up. Choice steers on most markets in late August were selling around \$4-\$6 below June peaks, mostly in the \$47-\$49 per 100 pounds range. Some further weakness in fed cattle prices in the months ahead seems likely if nonfed slaughter remains large as expected. Continued low average slaughter weights, however,



Slaughter Weights Continue Lower

Shortened feeding periods and fewer fed cattle in the total slaughter mix continue to hold down beef production as slaughter numbers rise. While commercial cattle slaughter in July was the third



will hold down increases in beef production this fall, and temper fed cattle price declines.

Feeder cattle prices have slipped from the June level and in late August Choice grade feeder cattle were selling in the \$30-\$35 per 100 pound range on most markets. Feeder cattle prices in the Southeastern U.S. continue to run well below Midwestern and Western markets. If feed costs remain high and fed cattle prices move lower, squeezed feeding margins are likely to produce further erosion in feeder cattle prices this fall.

Hog Slaughter Down a Fifth

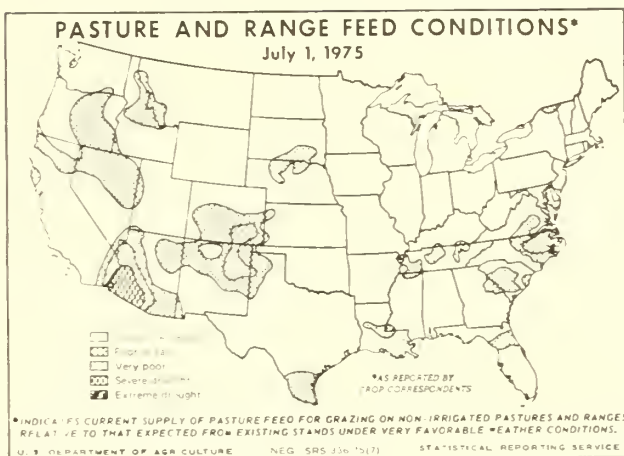
Commercial hog slaughter in July totaled about 5 million head, the smallest July level since 1966 and down 19 percent from a year ago. Preliminary slaughter data points to a 25-30 percent decline in August. Potential gains in pork production for the balance of 1975 from current levels may be largely restricted to the usual seasonal increase in slaughter weights, although the sharp reduction in August slaughter may indicate some market hogs are being carried forward.

Barrows and gilts at 7 markets in late August were selling near \$58 per 100 pounds, more than \$20 over the August 1974 level. More nonfed beef expected later this year could add some downward pressure on hog prices this fall, but significant reductions in hog prices seem unlikely.

1975-76 Feed Grain Situation

The nation's corn crop to be harvested this fall was estimated at 5.85 billion bushels on August 1, representing a 20 percent increase over the 1974 level but 3 percent below the July 1 estimate. The first estimate of the sorghum crop was 811 million bushels, 30 percent above last year's small production level but 13 percent below the record 1973 crop. Total output of feed grains was placed at 207 million tons. Coupling the small 15 million ton carryover of old grain to the crop estimate gives a supply of 222 million tons for 1975/76

marketing season, up nearly a fifth from 1974/75.



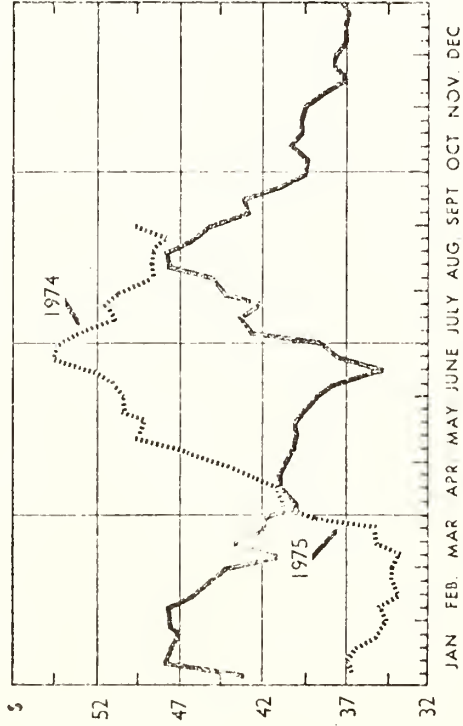
In October-December 1974 daily prices of corn at Chicago ranged between \$3.22 and \$3.96 a bushel. If the August crop forecasts and projections of domestic demand are realized, the price of corn at Chicago this fall may average less than a year earlier. Sluggish feed demand will temper price increases through the winter.

Livestock Trade Agreement Reached

Temporary restrictions in effect since August 1974 on the trade of live animals and pork between the United States and Canada have been terminated. Action taken by the United States to promote freer trade with Canada was the result of Canada's lifting of restrictions on the importation of live cattle from the United States. Quotas limiting the trade in fresh and frozen dressed beef still remain in effect. Under current trade laws, Canadian imports of beef from the United States are limited to about 7 million pounds from August 12, 1975 to December 31, 1975. Canadian exports of beef to the U.S. may not exceed 17 million pounds for the 12 month period beginning August 12, 1975.

Currently, prices of feeder cattle, fed cattle and cows are at about the same level in the two countries which will likely prevent any unusual large-scale movement of cattle across the border.

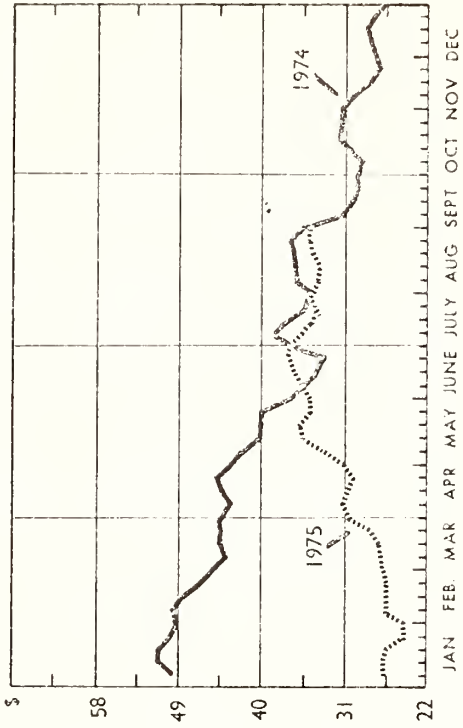
AVE. PRICE CHOICE SLAUGHTER STEERS—OMAHA 1100—1300H



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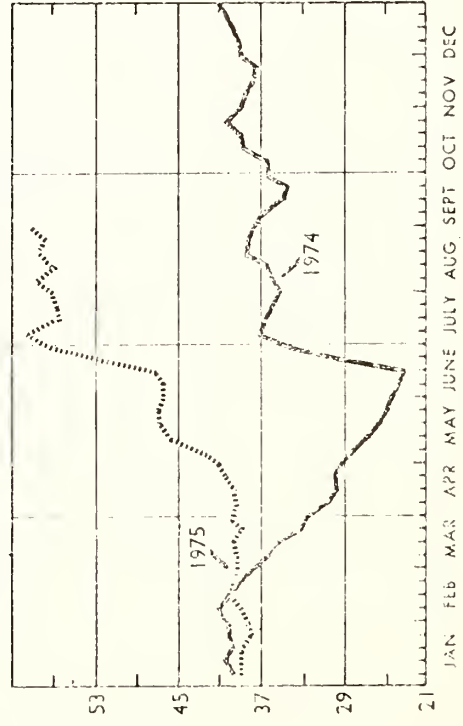
AVE. PRICE CHOICE FEEDER STEERS 600—700H — KANSAS CITY



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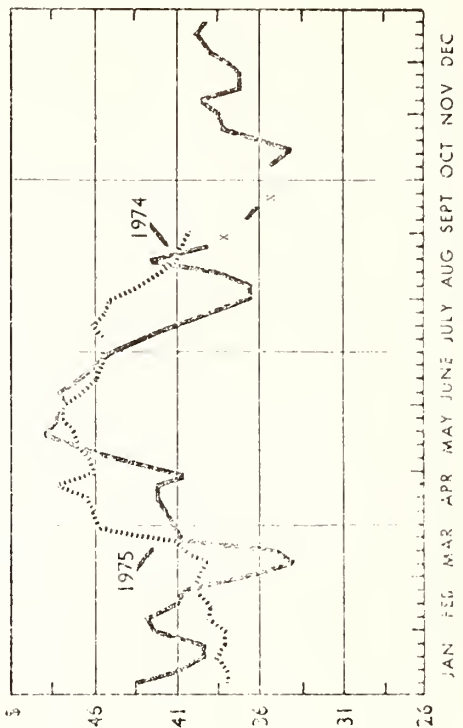
AVERAGE PRICE BARROWS & GILTS*



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AVE. PRICE CHOICE SLAUGHTER LAMBS—SAN ANGELO

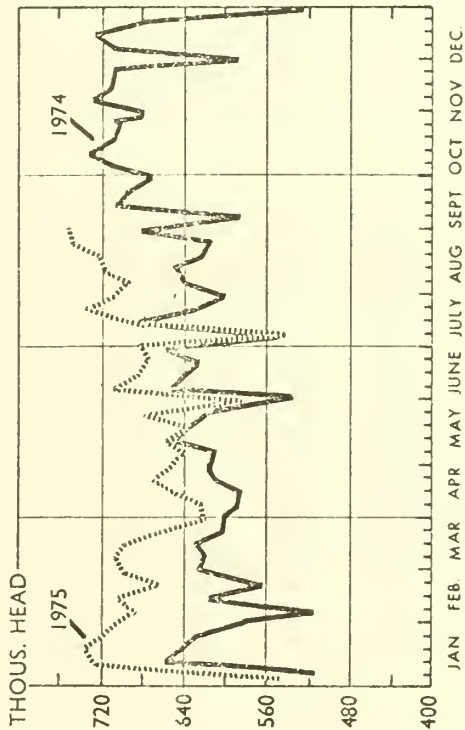


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*NOT ALL LAMBS OF THE SAME QUALITY, WEIGHT, LAMBING OCTOBER TO MARCH.
A % SALES COMPLETED

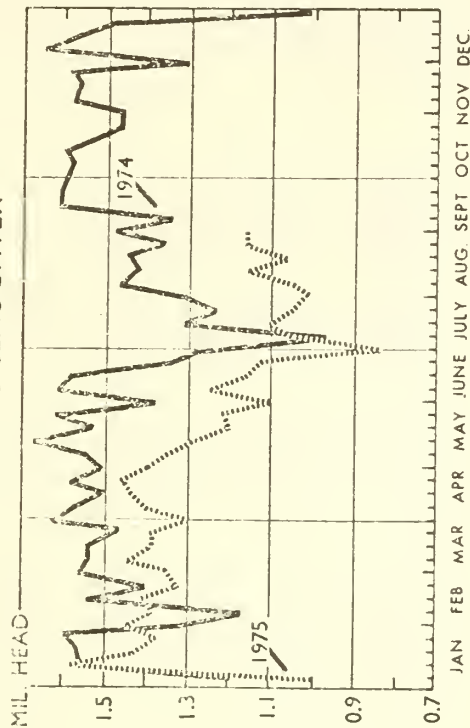
F.I. CATTLE SLAUGHTER



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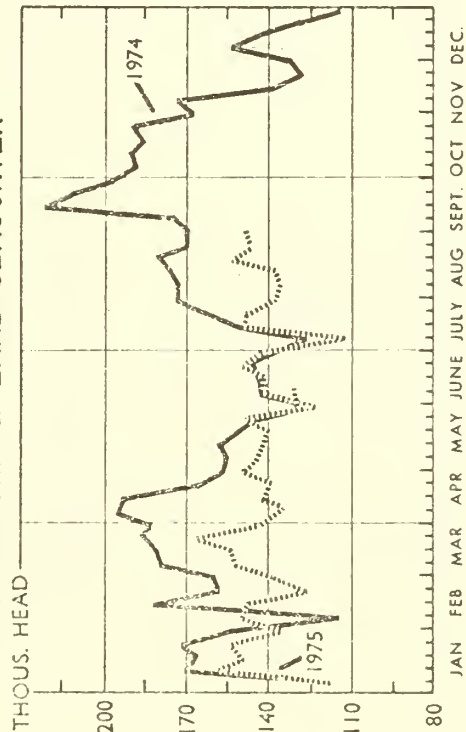
F.I. HOG SLAUGHTER



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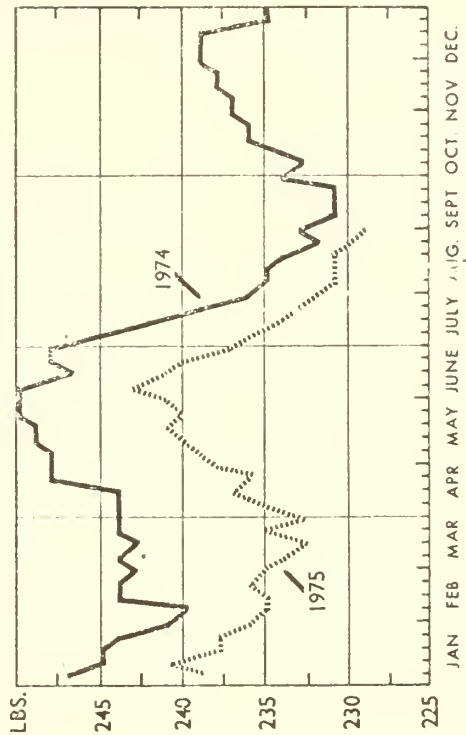
F.I. SHEEP & LAMB SLAUGHTER



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LIVE WEIGHT BARROWS & GILTS*



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*SEVEN MARKETS COMBINED

Selected price statistics for meat animals and meat

Item	1974	1975							
	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	August
<i>Dollars per 100 pounds</i>									
MARKET PRICES:									
SLAUGHTER CATTLE:									
Steers:									
Omaha:									
Prime, 1100-1300 lb.	38.00	37.12	35.74	37.24	44.51	51.59	55.26	53.78	46.80
Choice, 900-1100 lb.	37.20	36.34	34.74	36.08	42.80	49.48	51.82	50.21	39.52
Good, 900-1100 lb.	34.77	33.09	31.43	32.93	38.92	44.00	45.85	43.34	38.75
California, Choice 900-1100 lb.	38.75	39.65	37.19	38.81	45.95	52.00	53.94	50.50	45.75
Colorado, Choice 900-1100 lb.	37.66	36.65	34.52	36.21	43.95	51.35	53.86	50.98	46.48
Cows:									
Omaha:									
Commercial	17.81	16.86	18.19	19.54	21.87	23.59	23.55	22.13	21.99
Utility	17.67	16.82	18.18	19.45	21.67	23.55	23.32	22.00	21.29
Cutter	15.91	15.00	16.02	17.25	18.98	19.64	19.94	19.42	18.84
Canner	13.81	12.96	13.58	14.99	16.51	16.43	16.91	16.90	16.72
Vealers, Choice, S. St. Paul	34.46	36.88	40.25	38.90	46.84	40.56	39.15	39.01	37.10
FEEDER STEERS:									
Kansas City:									
Choice, 400-500 lb.	26.54	25.09	26.29	29.14	31.45	34.66	35.82	32.58	31.70
Choice, 600-700 lb.	28.27	26.45	26.96	28.75	31.69	35.50	36.81	34.70	34.34
Good, 600-700 lb.	22.14	21.75	23.19	24.34	26.54	29.45	30.16	28.60	29.15
All weights and grades	28.05	26.79	26.82	27.86	30.73	34.87	33.52	32.53	32.93
Amarillo:									
Good, 600-700 lb.	22.28	22.33	21.56	24.08	27.33	29.81	32.75	29.38	34.18
SLAUGHTER HOGS:									
Barrows and Gilts:									
Omaha:									
Nos. 1 & 2, 200-220 lb.	41.28	39.68	40.20	40.17	41.54	47.56	52.19	57.81	58.73
Nos. 1 & 2, 220-240 lb.	41.30	39.79	40.26	40.20	41.57	47.51	52.26	58.00	58.89
All weights	39.68	38.54	39.33	39.20	40.25	46.13	50.77	56.66	57.88
Barrows and Gilts, Sioux City	39.81	38.69	39.69	39.59	40.74	46.42	51.31	57.25	58.12
Barrows and Gilts, 7 markets ¹	39.93	38.93	39.61	39.52	40.69	46.44	51.19	57.12	58.10
Sows, 7 markets ¹	33.78	35.01	36.52	36.58	37.00	41.12	44.28	49.59	51.99
FEEDER PIGS:									
U.S. No. 1 & 2, So. Missouri, 40-50 lb. . .	25.75	30.10	35.75	39.75	43.05	44.00	44.65	44.10	46.75
SHEEP AND LAMBS:									
Slughter:									
Lambs, Choice, San Angelo	39.25	38.25	39.31	46.50	46.65	47.62	46.06	45.25	40.60
Lambs, Choice, So. St. Paul	37.65	37.72	40.42	42.44	44.18	50.18	45.94	44.09	39.91
Ewes, Good, San Angelo	13.33	14.12	15.56	17.25	18.40	15.44	15.38	17.00	13.44
Ewes, Good, So. St. Paul	5.25	6.25	7.00	8.12	8.88	9.42	9.83	9.94	8.15
Feeder Lambs:									
Choice, San Angelo	36.42	34.12	35.31	37.38	43.65	43.00	39.69	40.25	38.75
Choice, So St. Paul	33.22	34.31	34.78	36.74	37.00	37.79	37.35	37.10	35.52
FARM PRICES:									
Beef cattle	27.70	27.60	26.90	27.80	31.80	36.50	38.50	36.20	33.10
Steers and heifers	31.00	31.00	29.60	30.50	34.90	40.10	42.60	40.70	37.10
Cows	16.90	16.50	18.10	18.70	20.10	22.20	21.90	20.60	19.70
Calves	25.00	23.90	24.30	24.70	26.80	29.50	29.70	28.10	25.70
Hogs	38.30	38.20	28.40	38.30	39.30	45.10	47.30	54.10	56.00
Sheep	8.90	9.60	9.90	10.10	11.40	11.70	11.40	11.90	11.00
Lamb	36.10	36.90	38.10	39.90	42.70	45.40	45.10	43.50	39.80
<i>Cents per pound</i>									
MEAT:									
Wholesale:									
Chicago:									
Steer beef, Choice, 600-700 lb.	60.38	61.36	58.41	59.50	70.20	80.60	85.76	84.92	77.95
Heifer beef, Choice, 500-600 lb.	59.47	60.63	57.63	58.48	68.66	78.92	85.03	83.47	76.20
Cow beef, canner and cutter	38.94	36.97	39.62	41.84	44.07	46.44	46.64	45.38	43.67
Pork loins, 8-14 lb.	72.48	79.25	76.53	74.79	78.63	92.49	102.04	109.56	105.51
Pork bellies, 12-14 lb.	63.71	60.55	62.23	62.39	68.56	73.27	82.21	92.92	105.46
Hams, skinned, 14-17 lb.	80.38	68.80	71.18	70.67	67.56	74.89	79.91	84.93	91.08
East Coast:									
Steer beef, choice 600-700 lb.	62.26	64.03	60.34	61.09	71.07	82.09	88.01	84.92	80.03
Lamb, Choice and Prime, 35-45 lb.	84.16	87.05	88.31	90.56	93.87	97.13	96.75	99.29	91.67
Lamb, Choice and Prime, 55-65 lb.	76.62	84.28	86.25	89.44	93.07	97.13	96.50	99.29	91.67
West Coast:									
Steer Beef, Choice, 600-700 lb.	64.72	63.88	61.94	62.90	73.08	83.38	89.16	86.89	81.26
Retail:									
Beef, Choice	132.2	132.8	129.0	127.0	133.9	147.8	157.8	161.0	150.1
Veal	190.6	187.0	184.1	180.8	181.9	185.3	186.0	190.1	180.1
Pork	112.7	114.9	114.8	113.6	115.7	123.0	130.5	143.7	143.7
Lamb	155.9	156.0	157.2	154.7	158.6	164.7	169.8	175.8	175.8
Price Indexes (BLS, 1967=100)									
Wholesale meat	156.0	161.9	159.0	159.0	171.6	189.8	199.3	208.0	188.5
Retail meat	161.7	161.9	160.9	159.7	167.9	177.8	188.5	199.3	188.5
Beef and Veal	160.1	158.5	156.6	153.3	154.6	166.4	176.6	186.4	176.6
Pork	167.1	170.0	169.6	170.5	170.0	175.6	187.9	204.9	204.9
Other meats	158.0	158.2	158.3	158.8	158.6	160.5	166.4	170.1	170.1
LIVESTOCK-FEED RATIOS, OMAHA²									
Beef steer-corn	11.1	11.8	12.5	13.1	15.0	17.6	18.2	17.3	15.0
Hog-corn	11.8	12.6	14.1	14.3	14.1	16.4	17.9	19.5	18.5

¹ St. Louis N.S.Y., Kansas City, Omaha, Sioux City, S. St. Joseph, S. St. Paul, and Indianapolis. ² Bushels of No. 2 Yellow Corn equivalent in value to 100 pounds liveweight.

Selected marketings, slaughter and stock statistics for meat animals and meat

Item	Unit	1974		1975							
		Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	
Federally inspected:											
Slaughter:											
Cattle	1,000 head	2,929	2,902	3,152	2,778	2,826	2,889	2,851	2,897	3,084	
Steers	1,000 head	1,403	1,403	1,535	1,412	1,452	1,428	1,364	1,304	1,332	
Heifers	1,000 head	703	694	765	701	700	707	684	714	741	
Cows	1,000 head	756	742	786	606	611	683	719	787	912	
Bulls and stags	1,000 head	67	63	66	59	63	71	84	92	99	
Calves	1,000 head	251	254	284	250	276	284	270	276	344	
Sheep and lambs	1,000 head	612	595	662	570	648	627	615	613	635	
Hogs	1,000 head	6,402	6,243	6,350	5,540	5,751	6,361	5,376	5,077	4,659	
Percentage sows	Percent	8	7	5	4	4	4	5	6	7	
Average live weight per head											
Cattle	Pounds	1,026	1,040	1,036	1,036	1,038	1,022	1,017	999	983	
Calves	Pounds	211	204	216	216	222	216	227	231	237	
Sheep and lambs	Pounds	104	106	106	107	106	105	101	101	101	
Hogs	Pounds	245	246	242	236	236	238	240	244	241	
Average dressed weight per head											
Beef	Pounds	607	604	609	608	613	600	596	587	571	
Veal	Pounds	121	116	123	121	126	122	127	132	133	
Lamb and mutton	Pounds	51	53	52	53	52	52	50	49	49	
Pork	Pounds	166	187	187	184	183	185	185	166	166	
Lard	Pounds	17	16	16	15	16	14	15	14	14	
Production:											
Beef	Mil. lb.	1,773	1,747	1,914	1,684	1,728	1,727	1,694	1,697	1,756	
Veal	Mil. lb.	30	29	35	30	34	34	34	36	45	
Lamb and mutton	Mil. lb.	31	31	34	30	34	32	30	30	31	
Pork	Mil. lb.	1,062	1,023	1,049	900	922	1,043	876	842	864	
Lard	Mil. lb.	108	99	98	84	91	92	83	71	64	
Commercial:											
Slaughter ¹											
Cattle	1,000 head	3,268	3,234	3,506	3,082	3,132	3,206	3,149	3,193	3,400	
Calves	1,000 head	330	342	375	330	361	384	371	382	468	
Sheep and lambs	1,000 head	634	617	682	586	675	652	636	636	658	
Hogs	1,000 head	6,787	6,672	6,759	5,892	6,105	6,731	5,693	5,386	4,955	
Production:											
Beef	Mil. lb.	1,947	1,917	2,100	1,843	1,890	1,894	1,849	1,849	1,915	
Veal	Mil. lb.	50	51	59	50	56	60	59	63	77	
Lamb and mutton	Mil. lb.	32	32	35	31	35	34	31	31	32	
Pork	Mil. lb.	1,123	1,091	1,113	954	976	1,100	925	889	817	
Lard	Mil. lb.	112	104	103	87	94	96	86	74	68	
Cold storage stocks first of month:											
Beef	Mil. lb.	359	359	402	414	392	383	348	308	268	
Veal	Mil. lb.	12	13	14	15	14	13	11	11	10	
Lamb and mutton	Mil. lb.	15	14	14	12	11	9	10	9	7	
Pork	Mil. lb.	269	302	306	295	301	299	343	322	283	
Total meat and meat products ²	Mil. lb.	723	753	803	815	798	783	794	722	652	
Imports: (carcass weight)											
Beef and veal	Mil. lb.	134	149	192	139	151	124	110	146	154	
Pork	Mil. lb.	40	43	44	33	40	37	34	31	38	
Lamb and mutton	Mil. lb.	1	1	1	2	2	3	1	2	3	
Exports: (carcass weight)											
Beef and veal	Mil. lb.	4.12	4.27	4.09	4.24	4.02	4.33	3.34	2.92	2.97	
Pork	Mil. lb.	10.22	8.02	8.61	10.64	24.88	10.68	13.42	19.18	23.93	
Lamb and mutton	Mil. lb.	.48	.31	.39	.26	.39	.37	.40	.29	.39	
Live animal imports											
Cattle	Number	6,683	16,136	7,570	7,272	6,421	8,697	18,997	33,064	18,801	
Hogs	Number	11,914	1,612	2,417	2,586	2,170	2,268	2,433	385	48	
Sheep and lambs	Number	19	345	2	14	2	54	39	97	22	
Live animal exports:											
Cattle	Number	22,745	28,985	25,877	15,046	14,405	15,597	15,260	15,223	18,348	
Hogs	Number	2,212	1,105	246	4,105	472	764	1,532	785	2,647	
Sheep and lambs	Number	24,515	36,612	29,254	27,975	32,502	41,755	28,275	40,680	36,656	

¹ Federally inspected and other commercial. ² Includes stocks of canned meats in cooler in addition to the meats listed.

UNITED STATES DEPARTMENT OF AGRICULTURE
WASHINGTON, D.C. 20250

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